

REMARKS

All of the outstanding claims have been rejected over combinations including McNeal. Applicants respectfully traverse.

Song and McNeal have very different opinions about the use of biometric information. The fundamental requirement of McNeal's invention is to store account holder's biometric information in a database. To the contrary, Song believes that it will not be easy to store biometric information in a database due to privacy concerns and the high cost involved (paragraph 0047). Therefore, Song's invention does not have the need to store the account holder's biometric information in a database and does not read such information from an ID (as clarified by revised claim 1). In comparison, without a biometric information database, McNeal's method will not work.

Although McNeal mentions the use of a driver license at point of sale, such a use is very different from Song's use of driver license. McNeal uses the biometric information read from the driver license to verify that the person who conducts the POS transaction has the correct identity (Col. 4, line 41 to 48). McNeal also points out that only a limited number of states have biometric information on driver license (Col. 4, line 37 to 41). Therefore, a driver license may not be used in those states where biometric information is not available from the driver license. In comparison, Song's invention demands the use of machine-readable government issued identification card, even if such card does not contain any biometric information at all.

As noted by Song (paragraph 0005), payment fraud can be committed by payees (e.g., merchants), payers (i.e., account holders), and third parties (i.e., con artists). Song's invention intends to prevent fraud committed by all of these parties (paragraph

0022). In comparison, McNeal teaches a method of verifying the identity of a payer at the point of sale. This method has a very limited scope and can only ensure that a third-party con artist cannot easily commit fraud against an account holder. Wheeler et al. permit fraud by the payer due to the fact that the verification is only to confirm the funds are available. In fact, funds may be indicated as available but not truly available, e.g., if the teller knows the depositor and clears a bad check immediately upon deposit. Song overcomes this problem by transferring funds immediately, rather than merely checking their availability. Therefore, Song's invention has a much larger scope than McNeal's and Wheeler et al.'s inventions, which only address a fraction of the problems solved by Song's invention.

Finally, although the Examiner has applied Olson against the claimed POS method, it is submitted that escrow is inapplicable to POS. The Examiner's reasoning to include Olson is that escrow could hold funds until confirmation of fund availability and until delivery confirmation. However, in POS transactions delivery has already occurred. Moreover, waiting for funds availability is entirely inconsistent with the claimed real time nature of the transfer, and also inconsistent with a POS transaction.

Thus, for at least these reasons, it is requested that the Examiner withdraw the rejection of claim 1.

Claims 4, 5, 8, 9, and 11 have been canceled without prejudice or disclaimer of the subject matter.

New claims 22 and 23 do not add prohibited new matter.

Dependent claims 2, 3, 6, 7, and 10 - 23 are also believed to recite further patentable subject matter of the invention and therefore are also believed allowable

over the prior art. As such, allowance of the dependent claims is deemed proper for at least the same reasons noted for the independent claim, in addition to reasons related to their own recitations. Accordingly, applicants respectfully request reconsideration of the outstanding rejections and an indication of the allowability of all of the claims in the present application.

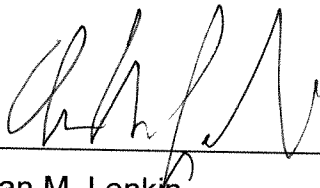
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Any amendments to the claims that have not been specifically noted to overcome a rejection based upon the prior art should be considered to have been made for a purpose unrelated to patentability, and no estoppel should be deemed to attach thereto.

Should the Examiner have any questions or comments regarding this Reply, or the present application, the Examiner is invited to contact the undersigned at the below-listed telephone number.

Respectfully submitted,

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